Organization and Activities of the
Deputy Director (Research)

Development Projects Division - Special Projects Branch

As recommended, the Special Projects Branch of DPD plus the necessary supporting units have been transferred to DD/R.

Technical Services Division

Further study did not commend implementation of the Working Group's recommendation that all TSD research and development be placed under DD/R. The DD/P made a substantial argument in favor of leaving all of TSD under his control in order to insure close and intimate relations with the operating units. Further, an argument of almost overwhelming proportions indicated that the DD/R already had some very major responsibilities without taking on the diverse and generally unrelated responsibilities of TSD.

Other Research and Development

After considerable additional study it was decided to transfer all ELINT to DD/R, except for the direct command of certain field units which under all circumstances should be left under the station chiefs. Research and development in support of NPIC would fall under DD/R for those very advanced items, but not for current production requirements.

Part II

Coordination

The staff of the Assistant for Coordination has continued to work on the same basis as formerly and continues to be constituted of assignees from other agencies. There appears to be progress in achieving closer inter-agency coordination, but whether this is due to the work of the Coordination Staff or to the DCI's personal interest in this subject would be hard to determine.

Princeton Consultants to ONE

This group has been continued.

National Photographic Interpretation Center

The Executive Director has personally kept under review the workload of NPIC. NPIC is recruiting in anticipation of an increased workload.

Caliber of Personnel

The new DD/I is cognizant of this problem and is taking steps to improve the caliber of the personnel.

Merger of ONE and OCI

It has been decided not to merge these offices.

Preparation and Dissemination of Memoranda

Too many uncoordinated memoranda are still being circulated. The practice of asking other departments to prepare memoranda has not been adopted.

White House Relations

(This matter was handled orally by the Working Group and consequently the comments will be handled similarly.)

Research on International Communism

The DD/I has established a special staff under an experienced intelligence officer for this purpose, and this staff is getting gradually organized.

Office of Scientific Intelligence

OSI is remaining under DD/I, but DD/R will eventually open his career service to those who wish to join it.

DD/R's Operational Responsibilities

It has been firmly established that DD/R will operate those projects which he develops. We believe that DD/R has implemented some of the principles in the special annex of the Working Group report.

Organization and Activities of the Intelligence Community

National Indications Center - Watch Committee

General Carter, the new Chairman of the Watch Committee, has made a thorough review of its activities and NIC operations. Steps have been taken to see that NIC is properly manned with the right personnel, and the Department of State is being constantly reminded of its obligations in this regard. We also believe that the methods of operations of the Watch Committee have now been aligned in accordance with the objectives of the Working Group.

CIA Relations with the Department of State

Since the issuance of the Working Group report, a special team composed of a senior representative from the Agency and from the Department of State have studied the entire problem of "cover." They have reached an agreed formula for this cover and for correcting some of the problems that attracted the attention of the Working Group. This includes the Foreign Service designation. A new agreement has been reached on the handling of State communications. Since the production of the Working Group report the level on which COMINT policy is handled in CIA has been raised to that of Assistant Deputy Director.

State's Counter Communism Office

The proposal for the creation of such an office in the Department of State appears to have come to naught.

State's Operational Center

The State Operational Center also appears to have come to naught.

State at White House Briefings

The Department of State does not attend the White House briefings.

Receipt of Top Classification Messages

The DCI has taken up with the White House the necessity for being included in the dissemination of all top classification messages.

1. The organization of the DCI/DDCI's office is currently under study.

2. The Audit Staff is removed from the DD/S area and placed under the Inspector General.

3. The Comptroller is removed from the DD/S area, given greatly expanded responsibilities, and will report directly to the DCI/DDCI's office.

4. The General Counsel's office is removed from under the DD/S, will resume responsibility for Congressional relations, and will report directly to the DCI/DDCI's office.

5. The Office of Operations is disbanded. Contact Division to DD/P as nucleus for Domestic Division. Foreign Documents Division to be combined with OCR Library. Foreign Broadcast Information Division to be independent unit reporting directly to DD/I.

6. Position of Assistant DD/P for Covert Action abolished.

7. Assistant DD/P for Paramilitary and Air Support Operations created.

8. Central Support Staff under DD/P created. This will draw together such support as personnel, logistics and budget and will also take over technical support from those operating units of TSD which remain in the DD/P, e.g., secret writing, audio operations, etc. The Central Support Staff will also absorb the present Operational Services Staff and certain other activities.

9. A Special Task Force is created for such operations of a magnitude that transcends the capabilities of one division.

10. The International Organizations Division and Covert Action Staff are combined, putting together our largest activities in this field.

11. A Domestic Division is created. This will absorb as its nucleus Contact Division of OO from the DD/I, the Commercial Staff, the Air Proprietary Branch from DPD, ultimately the management of CAT from the DD/S, and those aspects of cover which involve contacts with the U.S. business community.

12. A Deputy Director for Research is created. This organization will take over the Office of Scientific Intelligence from the DD/I, Special Projects from DPD, all research and development from TSD, and other research and development activities currently located in various units of the Agency such as the Office of Communications, NPIC, etc.

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March 29, 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Notes on discussions between myself, Carter, Kirkpatrick Coyne and Schuyler in review of report of the Kirkpatrick Committee

Following recommendations call for further consideration and possible modification.

I. Office of the DCI

1. Page 11 - Comptroller

Terms of Reference of the Financial Policy and Budget Committee under the Comptroller and the Executive Committee as provided hereafter must be clarified to provide continuing program review by a senior committee as part of an orderly program and budget process.

2. Office of Coordination.

Differences between Kirkpatrick and Schuyler position as outlined in the report and Coyne's position should be considered and reconciled. Page 3, Item C. Responsibility for SIGINT policies and resulting international arrangements as a responsibility of this office should be further considered.

3. Public relations directive should be issued on policy of speech making and public appearances by Agency employees, including DCI and the Deputies.

4. Page 6. Reduction of force consideration should be given with continuing 3-man management review committee (such as the Kirkpatrick Committee) exploring for the DCI and the DDCI ways and means of eliminating duplication and consolidating functions, eliminating unnecessary activities, with the objective of developing better organization at lesser cost and with fewer personnel.

5. 6.B. Terms of Reference for the Executive Director and the selection of this man should be discussed between McCone and Carter at an early date.

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II. Office of DD/P

1. Page 9: Important to move on an Assistant DD/P for Paramilitary operations and air support. There is continuing criticism of the Agency for lack of professionalism in these activities, most particularly airborne.

2. Domestic Division.

Care must be exercised and the merger of Contact Division with the balance of the Domestic Division and also care must be exercised to be sure that the Domestic Division "gathers up" all fragments of CIA's activities dispersed throughout the United States with the exception of Security Division.

3. Deputy Chief of the Division of British Commonwealth

Definition of this office must be worked out to avoid confusion with respect to small British areas such as Hong Kong, Singapore, British Guiana, etc. The purpose of this office probably to handle Commonwealth versus Colonial Office affairs.

4. CIA/State Relations.

Review of salary allowances, expense accounts, living conditions, etc., of CIA agents under State cover versus Foreign Service Officers comparable conditions should be made and if criticism legitimate, corrective measures should be taken without impairing ability Chiefs of Station to handle special costly situations which might be done by specific authorization. Also audit and control of personal expenses of COS must be developed immediately.

III. Office of DD/I

1. Carter and McCone should agree on selection of a DD/I, Deputy DD/I and Chief of OCI as initial step in improving personnel within this office.

2. Merger of O/NE and OCI should be delayed until new DD/I is installed and makes his recommendations.

3. National Board of Estimates should be reviewed and improved where necessary and consideration given to formation of a special group within O/NE to analyze on a continuing basis objectives of Soviet/Sino Bloc, international communism and their pursuit of their cold war activities and in their efforts to establish world domination. Note: This office previously existed directly under DD/I but was abandoned a few months ago.

4. Proper liaison with finance, State Department, and agreed methods for DCI to brief NSC as provided by law should be worked out.

5. National Photographic Interpretation Center, Page 19.

Note this requires immediate study, possibly by USIB. Fear that the work load on the NPIC will overwhelm it and as a result it will be unable to process vast amount of information during months of May through September should be quickly studied and arrangements made through USIB to disperse read-out to SAC and Army St. Louis Center if doing so necessary to keep our processing and read-out on a current basis. This matter considered of greatest importance.

IV. Elements of DD/R

1. It should be recognized that Deputy Director for Research is a cover and this office not necessarily confined to research but should be tasked with operationed responsibilities. Also most important project under DD/R is OXCART, therefore DD/R must be restrained from taking on collateral activities so fast that OXCART will suffer. The DD/R responsibilities will cover all phases of Agency responsibility and activity in NRO which may or may not include the actual operation of OXCART. It will include intelligence input into OXCART and CORONA and SAMOS planning, irrespective of where operations rest.

2. Location of OSI should be resolved.

3. Interrelationship between DD/R and DD/P to provide staff support and particularly the CI production should be established by directive of Deputy DCI.

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4. With respect to page 23, certain operational responsibilities should pass from DD/R to DD/P upon completion of research and development; however a study should be made to determine whether the many fully integrated operational activities such as OXCART and some fully integrated ELINT operations should not be permanently under DD/R who is to have both operational and research and development responsibilities.

Considerations of OXCART

1. Responsibility for all phases of OXCART are to follow the direct supervision of Sec/Def and DCI by agreement with the OD, Charyk as AR/Sec.Def., will be executive head of NRO, DD/R will be his Deputy and by assignment will be responsible for all phases of OXCART.

2. Details of operations, as contrasted to R&D, will be worked out at a later date.

3. NSC directive agreed OXCART tasks are responsibility of Special Group and question of augmentation is a matter for Special Group, not CIA, to decide.

4. DD/R should be charged with the responsibility of mobilizing and utilizing all necessary resources of DD/I, DD/P and DD/S and General Counsel in performance of DD/R's assigned responsibility as Deputy Director NRO and manager of OXCART project.

5. Question of use of Air Force officers versus civilians must be decided by higher authority, likewise the question of operational responsibility between that of CIA or DD/R or personnel seconded from the Air Force versus direct Air Force operation must be decided by DCI and Sec/Def. and the President after careful consideration of all issues and problems relating to this matter.

6. Because of imminence of commencement of test flights immediate careful attention should be given to all aspects of the cover story as certain information concerning the plane will become known when it is observed in FAA (that other) radar

V. National Indications Center Watch Committee

1. Appointment should be made next week for General Carter and myself to visit the NIC and the DIA Centers and observe the Watch Committee operations and make a judgment as to whether this organization is properly set up and efficiently operating, and to resolve differences between Mr. Coyne and USIB.

2. White House briefings should continue; a substitute for Mr. Amory should be arranged until a more adequate arrangement is provided: Daily briefings of Bundy, Clifton and Taylor and an occasional briefing of the President by DCI should suffice.

JOHN A. McCONE
Director

mfb

6 April 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Final Report of Working Group on Organization and Activities

1. I have the honor to present herewith the final report of the working group which you established in January to consult with you and advise on the organization and activities of the Central Intelligence Agency, and of its relationship with other agencies in the intelligence community. This report reflects the views of the working group and is divided into two parts. The first part deals primarily with the organization of the Central Intelligence Agency and reflects the unanimous views of the working group. The second part contains comments and recommendations on areas dealing with the work of the Central Intelligence Agency and activities of the intelligence community in which the working group was either unable to agree or felt that considerably more study was needed before action was taken.

2. For the record I would note that the working group held its first session on January 3 and met on 35 different days between that date and its final session with you on March 28. During its work the group had approximately 100 briefings. Most of these briefings dealt with the organization and activities of the Central Intelligence Agency, but also included a full day spent with the Department of State in addition to several briefings on State Department activities and its relations with CIA; approximately one-half day spent in the Pentagon in addition to other briefings by the Defense Intelligence Agency; and a full week spent visiting SAC, NORAD and other activities in the United States. We were briefed by the head of every major component in the CIA with the exception of three DD/P area divisions whose briefings had to be excluded because of the pressure of time. However, we feel that having heard from four other area divisions the working group had a knowledge of the activities and problems of these units. In addition to the 100 briefings, the working group had more than ten executive sessions in which it discussed and debated at great length its findings and conclusions. Finally, there were

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some 20 meetings with yourself, and with senior Agency officials to discuss our findings and conclusions. These included at least two sessions with each of the Deputy Directors and with the Assistant Director for National Estimates and the Assistant Director for Current Intelligence.

3. The attached report does not purport to be complete or exhaustive in any respect, but rather it is an aide memoir to recall to mind our oral discussions and to record some of the reasons and philosophy behind our recommendations.

/s/

Lyman B. Kirkpatrick

cc: DDCI

Attachment

Report was read by:
DD/R
DD/S
DD/I (and also Knight McMahon)
AD/SI
DD/P

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PART I

This section deals primarily with the organization of the Central Intelligence Agency and represents the view of the entire Working Group.

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OFFICE OF THE DCI

Organization of DCI's Office

We recommend that the organization of the DCI's office be changed in order to provide more effective support to the DCI, a systematized control of messages both oral and written, and a clear delineation of the responsibilities of the assistants to the DCI. In this connection we would urge that a secretariat be created, that the head of this secretariat assign individual responsibilities to each of the personal assistants to the DCI, that daily staff meetings be held for a full exchange on the activities of the staff, and that all personnel in the Agency be advised as to how to keep the DCI's staff informed properly of the activities of the Agency.

Ex D

Comptroller

We recommend that the Comptroller's office be brought out from under the DD/S, report directly to the DCI's office and receive full authority for total fiscal control of the Agency.

We recommend that the Comptroller be designated Chairman of a Financial Policy and Budget Committee composed of the appropriate senior officers of the Agency. We believe that

such a committee should be kept fully and currently informed of all Agency activities, and in order to be effective should meet regularly and submit its reports to the DDCI and DCI.

Inspector General

We recommend that the Audit Staff be combined with the staff of the Inspector General and that the merged staff report to the DCI's office.

We believe that the size of the Inspector General Staff should be increased with qualified professional personnel assigned from their respective components in order to perform more frequent inspections of Agency units. We urge inspections at least annually of major operations and of field stations.

General Counsel

We recommend that the General Counsel's staff be removed from the organization of the Deputy Director (Support) and report directly to the office of the DCI. In such a position the General Counsel should resume the responsibility for the direction and guidance of the work of the Legislative Counsel, which is currently the responsibility of the Inspector General.

Cable Secretariat

We have examined the Cable Secretariat which is currently located in the office of the DCI and reports to the Executive Officer. We believe it should continue to be in the office of the Director under the careful supervision of the Executive Director. We are concerned that as it now operates requirements for cables have not been adequately coordinated, and cables have been disseminated too often on the judgment of junior officers. We believe this needs careful study.

ExD

Contracts

We believe that the Agency is vulnerable on sole-source contracts for such activities as TSD and DPD, and that those contracts currently in existence should be reviewed and that all such future contracts should be passed on by the DCI's office prior to approval.

DDCI should review.

Personnel Assignments

We believe that the DDCI and DCI should be the final approving authority for all assignments to positions of Chief or Deputy Chief of Offices (DD/P Divisions and Staffs) or of field stations and bases, both foreign and domestic.

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We believe the DCI's office should also review all assignments in the middle management echelon with particular reference to insuring the proper language qualifications, operational training and suitability.

Public Relations

We recommend that the present system of public relations by the Agency be changed. While we see the necessity for the DCI to have an assistant in his office handling relations with the public media, we believe that every effort should be made to minimize the amount of publicity that CIA receives.

We strongly recommend that the present practice of giving background briefings to newspapermen cease and that CIA give information to the press only where CIA has something which for operational reasons should be released on an unattributable basis. We urge that no public speeches be given by Agency officials.

Reduction in Force

We recommend that the DCI and DDCI insure that the present reduction in force in the Agency include senior officers, particularly supergrades who are no longer as effective as they should be in their assignments.

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Handling of Communications Other Than Cables

We note that under present arrangements communications other than cables are handled by the Records Integration Division of DD/P, which is not always fully cognizant of the interests of non-DD/P parts of the Agency. We recommend that the entire system of handling incoming and outgoing communications be subjected to further study with a view to insuring adequate dissemination of all communications, particularly in DD/I, DD/R and DD/S, which may have need for prompt receipt of such material.

Executive Director

We have not tried to spell out the responsibilities of the Executive Director, inasmuch as we believe this to be primarily a matter that should be tailored to the personal preferences of the DCI and DDCI and how they wish to operate their office and the Agency. We urge, however, that special attention be directed to the avoidance of a straight vertical line of command; i.e., all problems should not have to pass through each of the three officers.

Executive Committee

We recommend the creation of an Executive Committee to be chaired by the DDCI and consist of the four Deputies, the

Comptroller, and the Assistant to the DCI for Coordination and Intelligence Community Guidance. This Committee, from a policy standpoint, would review proposed major projects and maintain a continuous review of all major activities and make appropriate recommendations thereon to the DCI. This Committee would replace the present Project Review Committee.

Include ?
ExD ?
IG ?
GC ?

Delete Asst for Coord ?

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Ger[illegible] D[illegible] to [illegible]

ORGANIZATION AND ACTIVITIES OF THE DEPUTY DIRECTOR (PLANS)

Office of the DD/P

We commend the decision of the DD/P to abolish the position of the A/DDP/A, and believe that the restoration of the previous organization with just the DD/P and COP in the line of command in the front office will result in a clear delineation of responsibilities and more efficient operations. ✓

The Staffs

We studied at some length the staffs in the DD/P. We considered a possible merger of the FI, CI and CA staffs. We also studied proposals for divesting the staffs of all operational responsibilities. We believe that while both are desirable objectives, neither are practicable under present circumstances. We therefore urge that the FI, CI and CA staff functions be drawn closer together under the Chief of Operations and that these organizations insofar as practical act in the classical sense as staffs for the DD/P. We further believe that the Operational Services Staff, the Central Staff, and the residual of the Cover and Commercial Staff, after the changes recommended below are completed, be transferred to the Central Support Staff which is proposed.

Merger of Covert Action Staff and International Organizations Division

The DD/P has advised us of his desire to merge the Covert Action Staff with the International Organizations Division. While this is contrary to the trend of divesting staffs of operational duties, we nevertheless do not observe any major reasons against such a merger and believe that it should be tried out in accordance with the DD/P's wishes.

Central Support Staff

We recommend that the DD/P draw together into a Central Support Staff control of personnel and other support matters currently decentralized to the divisions and staffs in order to locate these functions directly under him.

Special Task Force Operations

We recommend the creation of an organizational entity to be known as "Special Task Force Operations" reporting directly to the DD/P, which shall be activated and deactivated upon need, and which shall be the command mechanism for handling such projects as the Cuban operation which demands the creation of an organization from Agency-wide assets.

Assistant to DD/P for Paramilitary and Air Support Operations

We recommend the creation of an office in the DD/P to be known as Paramilitary and Air Support Operations, under the direction of an Assistant DD/P, to develop the capability for covert paramilitary and air support operations. We suggest that the bulk of this new organization be located at [10] where it will have facilities for organization and training. Such a move will also relieve the burden on the headquarters building. We recommend that the individual to head this organization be drawn from military service and be a senior Colonel or a Brigadier General with wartime paramilitary experience. Having in mind the total disestablishment of the DPD in its present form, we recommend that the Air Support Branch of DPD be transferred to the new Paramilitary Office of DD/P.

Domestic Division

We endorse the proposal to create a Domestic Division. We strongly urge that the new Domestic Division utilize the Contact Division of OO, which is to be transferred from the DD/I to the DD/P, as the nucleus for field work in the United States. We also believe that this Domestic Division should take over those functions of the Cover and Commercial Staff presently carried out by the Commercial Group, plus all those activities of the Cover Division which involve

contacts with domestic organizations in the United States such as business and foundations. This would involve the transfer to this Domestic Division of the Air Proprietaries Branch of DPD, and of the responsibility for the management of CAT from the DD/S, and of managing Fairways Corporation. In consolidating CAT and Fairways into the Air Proprietaries Branch we wish to draw attention to the necessity of having the right man to head this branch.

We would also urge that a complete review be made of the Agency's present and future requirements for air proprietaries and that a statement of the requirements be provided the Air Proprietaries Branch indicating exactly what may be needed in all parts of the world. With the creation of the Domestic Division we urge that the DD/P examine the requirements levied by DD/P components on the Office of Security for operational support and if possible reassign these requirements to the Domestic Division in order to relieve the Office of Security for its more important responsibilities in regard to the security of CIA.

Operational Aids Unit

The DD/P should have a new unit charged with the following functions:

a. Residual TSD activities not transferred to DD/R.

b. Preparation of "operational characteristics" for new or improved equipment desired to be developed by DD/R.

c. Close contact with DD/R activities involving development of items for DD/P.

d. The conduct of rigorous field tests of these items before they are released to divisions for operational use.

We recommend that all of the research and development responsibilities currently in TSD be transferred to DD/R. Remaining units in TSD should be transferred to the new DD/P division recommended above; e.g., Audio Support less Research and Development, Photographic Support less R & D, Special Assistance, Intelligence, Personnel, Authentication, and Graphic Arts Reproduction. We note, however, that DD/P himself would prefer to retain under his own responsibility the R & D function as it pertains to specific items to be used by individual agents (audio devices, incendiary items, etc.).

Deputy Chief for British Commonwealth Affairs, Western European Division

We recommend the creation in the Western European Division of a second Deputy Chief for British Commonwealth Affairs. We suggest that this Deputy Chief have as his line responsibilities

all matters involving [24]. Further, this officer should have full control authority over [24] and all other components of the Agency, including the DD/I, should keep this officer advised on a daily basis [24].

War Plans

Because of the vital importance of war plans to the Agency's relations to the Joint Chiefs of Staff, we recommend that the War Plans Group receive direct support from the DDCI, even though it should remain organizationally as a part of the Central Support Staff of the DD/P.

Police Programs

We are convinced that United States Government support to the police in friendly nations can provide great benefits to the United States and that some of these benefits will assist CIA in its work. The President has recently indicated to AID that he wishes this program to receive strong support. We believe that CIA should

give it greater support than it has previously received. We recommend that the police group in the CI Staff receive such augmentation as is necessary, and that Project [24] be transferred from the NE Division to the CI Staff.

Liaison with Department of State

We urge that the DD/P centralize liaison with the Department of State and maintain careful records of all discussions between the Agency and State Department officials. We note that nearly every area division chief has a weekly meeting with his counterpart in the Department but that under the present system there is no organized method for keeping the central management of the DD/P informed of what takes place at these meetings.

Advice to State on Black Propaganda

We recommend that the DD/P develop procedures which will insure that other appropriate agencies of the government (Department of State, Defense, White House and USIA) are kept appropriately informed of black propaganda activities which otherwise might be misunderstood and believed to be legitimately the views of a foreign power. We have in mind our discussions with the Department which heard expressed concern that the Department was unaware of certain black propaganda activities relating to Communist China and consequently was led astray.

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CIA Personnel Under State Cover

We recommend that CIA personnel under the Department of State cover make greater efforts to truly live their cover. We believe in this connection that the DCI should receive assurances from the DD/P, after proper study, that CIA allowances for rents, servants and entertainment are in line with comparable State Department allowances.

"Legitimate" [08] Cover

We recommend that the Agency more and more place people under [08] cover by the "legitimate" method of recruiting individuals, having them [08] and be [08]; and follow through a normal [08] career. CIA should obviously keep [08] advised concerning these individuals, work with [08] on their assignments which will be mutually beneficial, and covertly train them. By this method such individuals will be under true [08] cover and will not only be unknown to other intelligence services, but also to their colleagues in [08].

Latin American Operations

We urge that the Agency give high priority to supporting the expansion of activities of Latin America, and insure that the proper level of competence is assigned to these important posts.

American Friends of the Middle East

We recommend that the project for support of the organization known as the American Friends of the Middle East, which is currently being run by the NE Division, be transferred to the IO Division inasmuch as it now transcends NE Division area responsibilities and has activities in Africa, or, if it is determined that AFME activities are not worth the Agency's support, that the project be abolished.

ORGANIZATION AND ACTIVITIES OF THE DEPUTY DIRECTOR (INTELLIGENCE)

DD/I 7 views

Office of the DD/I

We have carefully reviewed the organization and activities of the DD/I's immediate office and believe that with the addition of a full time deputy he will be able to assert the degree of influence on the management of the units under him required for sound operations. At present his three office assistants provide good staff work in this review, but we did observe that a considerable amount of the intelligence produced in the DD/I area is reviewed at no higher a level than office chief, if that.

We recommend that the DD/I establish in his office a focal point through which all intelligence, processed or unevaluated, going to the White House must flow. If for reasons of urgency a report is sent to the White House prior to evaluation, we recommend that a special notice to the effect that it is unevaluated be attached to the report and that an evaluation follow the report at the earliest possible moment.

Board of National Estimates

The Office of National Estimates should be strengthened by the addition of one top-level foreign affairs expert to the Board of Estimates, and if obtainable a top-level scientist and a top-level economist. We also believe that the Board would benefit by the

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addition of an individual experienced in business in the international field, provided one of sufficient caliber could be found who would be willing to spend two or three years on the Board of Estimates.

Control of Estimates

We urge that the DCI utilize the USIB to control the scheduling and to limit the number of National Estimates.

Office of Operations

We recommend that the Office of Operations be abolished, that the Contact Division be transferred to DD/P to be the nucleus of the Domestic Division.

The DD/I has advised us that with the transfer of Contact Division, Office of Operations, to the DD/P, he is considering closer integration of the Foreign Documents Division and the Foreign Broadcast Information Division. These units have a lot in common: both process unclassified information, both have considerable language capability. We believe such an integration should be considered. On the other hand, the Assistant Director for Central Reference believes very strongly that the Foreign Documents Division should be assigned to OCR. He advances as reasons: that the procurement of foreign documents are arranged by OCR; that the dissemination of the FDD product is handled by OCR; that OCR through its relations with the Library of Congress

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and other agencies is in a good position to assist in coordinating the exploitation of foreign documents. We urge that the DD/I integrate FDD and FBID into the most compatible area of the DD/I organization.

Support of Cenis

Support for the Center for International Studies (CENIS) at MIT is currently being handled by the DD/P. If such support is worth continuing, and we question this, we recommend that it be transferred to the DD/I's office.

Tell me more ?

Security Office

We recommend that the burden on the Security Office for support of the DD/P be reviewed (see DD/P section). In the meantime, we believe that a careful look at the Security Office is necessary to insure that the volume of work it is carrying is not in any way jeopardizing its primary responsibility of insuring that every possible measure is taken to keep the Agency secure.

We recommend that all security clearances be centralized under the Office of Security; e.g., clearances that are issued by DPD, OCI, NPIC, and other Agency components. While we would leave the policy of granting clearances with the appropriate officials, we believe that the Office of Security should maintain a centralized index for special clearances and do all of the processing of these clearances.

Audit Staff

We recommend that the Inspection and Audit Staff check regularly on activities in the Lockheed plant which are of vital concern to the Agency.

DPD Support

We recommend that the DD/S be given the responsibility for support to all projects under the control of DD/R, providing of course the necessary security safeguards, and that in the future no parallel support mechanism be developed in the Agency.

Automatic Data Processing

We believe the Automatic Data Processing Staff can properly remain under the DD/S inasmuch as this is a support mechanism, although we strongly recommend that the DD/S in consultation with other deputies concerned direct this staff to aggressively pursue the objective of automation in the Agency in such a way as to insure the ultimate compatability of automatic data processing systems throughout the intelligence community.

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ORGANIZATION AND ACTIVITIES OF THE DEPUTY DIRECTOR (RESEARCH)

The Office of the Deputy Director (Research) having already been created, we now make the following recommendations as to those units which should be included under this Deputy.

Development Projects Division - Special Projects Branch

We recommend that the Special Projects Branch of DPD plus the necessary supporting elements, including those projects supporting the Department of Defense in advance reconnaissance programs, be placed under DD/R.

Technical Services Division

We recommend that all TSD research and development be placed under DD/R.

Other Research and Development

We recommend that the extent to which research and development for SIGINT collection equipment, including agents' SIGINT equipment, air-borne collection, etc., should be transferred to DD/R, be left as a matter for negotiation and agreement between DD/I and the Director of Communications.

We recommend all research and development in support of NPIC be transferred to DD/R.

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PART II

This section contains comments and recommendations on areas of the work of the Central Intelligence Agency and activities of the intelligence community in which the working group was either unable to agree, or felt that considerably more study was needed before action is taken. These views are presented herewith so that they may assist and guide those who may be asked to pursue these matters further.

Coordination

We note your intention to abolish the present office of the Assistant for Coordination and to create in its stead an Assistant to DCI for Coordination and Intelligence Community Guidance. With the exception of Mr. Coyne, we are fully in accord. We set forth below our concept of the principal functions of this Assistant.

a. He should be the DCI's principal advisor on coordination matters within the community and his personal representative in dealing on such matters with top officials of the community.

b. When so directed he should represent the DCI in negotiations and discussions on intelligence matters with appropriate officials of foreign governments.

c. He should be responsible for development of Comint and Elint policy insofar as this is an Agency function.

d. He should keep continually under review the general extent and direction of the intelligence efforts of the community to insure that such efforts fully and effectively support national policy, submitting reports and recommendations to DCI as appropriate.

e. He should correspondingly maintain a continuing review of activities and efforts of the Agency to insure that they remain fully and effectively coordinated with the activities and efforts of other members of the community.

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We do not consider it practicable at this time to suggest the number or qualifications of supporting staff officers for this Assistant. We feel, however, that he will need a group of such officers and that they should be of particularly high caliber and broad experience. The functions we visualize for this office are highly important for the community and for CIA. They have not been adequately handled in the past. The Assistant should be given whatever staff the full development of his role may later require.

Mr. Coyne does not concur in this recommendation. He disagrees with (a) the proposed organizational placement and title of the recommended office, because this would perpetuate the present ineffective arrangement of the Coordination Office now in existence and would not provide the recommended office with the stature required to assist the DCI in fulfilling his heavy responsibilities throughout the Intelligence Community; (b) the limitations in the functional concepts of the office, as outlined above. Further, he does not concur in this recommendation because it does not distinguish sufficiently the internal CIA operating functions of the DDCI from the community-wide functions which the recommended office must perform if the DCI is to execute effectively his principal mission as assigned in the President's Directive of January 16, 1962. Mr. Coyne believes

that if the office is established along the lines recommended above, it will be incapable of effectively assisting the DCI in performing his principal Presidentially-assigned responsibilities of (a) coordinating and effectively guiding the total U. S. foreign intelligence effort; (b) establishing necessary policies and procedures to assure adequate coordination of foreign intelligence activities at all levels; (c) maintaining a continuing review, with the heads of the Departments and Agencies concerned, of the programs and activities of all U. S. agencies engaged in foreign intelligence activities; and (d) assuring efficiency and effectiveness, and avoiding undesirable duplication in the total foreign intelligence effort. Mr. Coyne will submit his recommendations on this subject at a later date.

Princeton Consultants to ONE

Mr. Coyne recommends that this group be disbanded based on advice from principal concerned officers of the Agency that the group makes no contribution to the intelligence estimating effort. The other members feel that on balance the group should be continued.

National Photographic Interpretation Center

We are concerned about the capability of NPIC to handle what may be a greatly increased volume of work in coming months. We

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recommend that as a matter of priority the USIB have this matter reviewed and insure that any increased flow of raw material does not result in slowing down the prompt and complete processing so urgently required.

Caliber of Personnel

We believe that the DD/I should devote some considerable effort to improving the caliber of personnel in his offices. Although we did not make a study in depth, we believe that there is a serious problem in this regard in OCI and that steps should be taken under the new management of OCI to improve the caliber of supervisory personnel and thus improve the morale of that office.

Merger of ONE and OCI

We studied at some length the feasibility of merging the Office of National Estimates with the Office of Current Intelligence. We found the Office of Current Intelligence eager for a merger, the Office of National Estimates strongly opposed. The DD/I was inclined to favor it, but foresees certain personnel difficulties. We do not believe that such a merger would be wise unless it was well established that the result would be the creation of better national estimates and current intelligence dailies and weeklies. The DD/I feels that

he should be given at least sixty days to explore this proposal and to prepare his recommendations. We concur.

Mr. Coyne does not agree with the above paragraph and in lieu thereof recommends that the ONE and OCI be merged now. He believes that such merger will result in improved intelligence products to support the national policy makers.

Preparation and Dissemination of Memoranda

We have noted considerable unhappiness in the Department of State because ONE and OCI have established the practice of distributing throughout the community, and to the White House, uncoordinated memoranda on intelligence matters. These memoranda are prepared as "think pieces", but the Department of State feels that they often seem to influence policy at high levels. We think the Department of State has a point, and we urge that such memoranda be carefully restricted to circulation within the Agency unless or until they have been coordinated across-the-board.

We also urge that the DCI adopt the practice of asking other agencies to prepare such memoranda if the subjects fall within the purview of their responsibilities; e.g., the Department of State on strictly political matters. We believe that, at a minimum, when CIA is asked for a memorandum that inquiries should be made of

other departments to determine whether such a memorandum hasn't already been prepared or might be in the process of preparation.

White House Relations

We are concerned about Agency relationships with the White House insofar as handling of intelligence matters is concerned. We would like the opportunity to discuss this with you orally before framing recommendations.

Research on International Communism

We are concerned about the reported inadequacy of research done on International Communism. At the present time some is done in the DD/I area in both OCI and ONE, some is done in the DD/P area in the International Communism Division of the Counter Intelligence Staff, and some is done in the State Department in the Special Studies Group of INR. The DD/I expressed himself as believing this was sufficiently covered. The Chief, CI Staff believes it is insufficiently covered. Representatives of the Department of State urged that greater expertise be brought to bear on the subject. Inasmuch as it will fall squarely on the shoulders of the DCI if not enough is being done, we urge that the matter be reviewed by the DCI at an early date to satisfy himself that all necessary research in this field is being accomplished.

Office of Scientific Intelligence

On the new chart we have shown OSI as a division under DD/R since we understand this to be your desire. We feel, however, that OSI in its major activities is more closely linked to DD/I than to DD/R and therefore more properly belongs under DD/I. DD/I himself strongly supports this view and urges that he retain OSI. We believe that if this is approved, scientists in OSI should be members of DD/R's career service, subject to transfer between OSI and units of DD/R as might be agreed between the deputy directors concerned.

DD/R's Operational Responsibilities

We have some concern relative to your intention to have DD/R carry into the operational phase his responsibility for certain major projects involving complex and coordinated operations which are highly sensitive and where a mis-step could have serious national or international repercussions. DD/R's key people will be mostly scientists, technological experts or leaders in specialized development fields. Such individuals on the average have no professional intelligence operating experience and little background or interest in detailed operational problems requiring thorough inter-agency coordination, painstaking and tedious follow-up actions and careful attention to security details. DD/P, on the other hand, has a number

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of top-flight people who for some years have dealt almost exclusively with just such problems.

We recognize all the difficulty, in the course of a project of this type, of shifting responsibility from one deputy to the other; and we realize that development must also lap over into the operational phase. We suggest having as a general rule (but granting that exceptions will arise) that when operation begins the responsibility for the operations should be the DD/P's, but that DD/R should retain his responsibility for seeing that the equipment he has developed continues to function properly. There is here attached a specially classified annex.

ORGANIZATION AND ACTIVITIES OF THE INTELLIGENCE COMMUNITY

National Indications Center - Watch Committee

We have examined quite carefully the National Indications Center, its organization, its capacity to support fully the Watch Committee, and its relations with other departments and agencies. We note that opinions within the community concerning NIC and its functions vary widely -- from the feeling that it should be abolished, or combined with DIA indications center -- to the belief that it is entirely satisfactory in its present situation. We do not fully subscribe to either of these views.

The functions of the Watch Committee, and NIC, with their terms of reference, were developed prior to the time when DIA was created. Now DIA has developed a strong capability to provide both early warning and indications of approaching crises to the community. Its capacity in this regard will develop even further in the months ahead.

We are aware that USIB is now considering the Fitch Committee Report. But we doubt that few if any members of that Committee were intimately aware of the full capacity of DIA and of its future plans. We note that General Carroll was reluctant to be drawn into the Committee's deliberations.

We recommend, therefore, that except as noted below, NIC operations be allowed to continue as they are for the next three or four months. At that time we recommend a thorough review of the Watch Committee and NIC operations, particularly in the light of DIA's capabilities and activities, with a view to redefining the responsibilities and functions of NIC as may then appear desirable.

Mr. Coyne disagrees and recommends that the NIC be abolished now, and that the DIA be assigned the national strategic warning function and that its personnel complement be enlarged to include representation from appropriate members of USIB. Mr. Coyne points to reasons outlined in his memorandum to the DCI dated February 5, 1962.

We do believe that the National Indications Center should be properly manned and should receive both the high caliber of personnel at the proper grade and the number of personnel to perform its function promptly and efficiently. In this connection the Department of State has no representatives at NIC at present and the DCI should ask the Secretary to remedy this situation immediately.

We would suggest a change in the present method of preparing the Watch Committee report. If NIC is adequately manned, we see no reason why it should not draft, 24 hours in advance, the weekly

Watch Committee report, circulate it to all agencies for consideration prior to discussion at the Watch Committee meeting when it could be decided upon in final form and reproduced and disseminated.

Related to the Watch Committee -- but also an important aspect of all coordinated intelligence community reports -- we believe that substantive disagreements should be encouraged and even spelled out in Watch Committee reports; that NIEs and SNIEs rather than being suppressed or covered by watered down language as is sometimes the case today, in all cases should reflect the consensus of views of the intelligence community. If there are differing minority views on the part of one or more agencies, including CIA, these should be spelled out in appropriate footnotes.

CIA Relations with the Department of State

We examined the relations of CIA with the Department of State. Several matters of concern in this area are mentioned in the section on the DD/P. We would note that "covering" for the Agency poses certain problems for the Department in its relations with the Congress. These include such items that attract Congressional interest as: the number of officers in each Embassy, particularly the political section; the designation of CIA officers as [24]; the CIA role in

handling State communications, etc. In these areas we recommend close liaison be maintained with State on Congressional matters and that whenever possible State be given a helping hand with the appropriate Congressional committees on these matters.

We are particularly concerned that the [24] designations of CIA personnel [24], particularly [ ], are so revealing. We recommend that the Agency arrange with State to [24] designations.

The Department of State indicated concern about the level in CIA on which Comint policy matters are handled, and also noted that on occasions there appears to be lack of coordination within CIA on Comint policy matters. This factor is one of the reasons why we recommend raising the level of Sigint policy matters to the Assistant to the DCI for Coordination and Intelligence Community Guidance.

<u>State's Counter Communism Office</u>

We reviewed with some interest the proposed creation in the office of the Deputy Under Secretary for Political Affairs of the Department of State of a strategy group for combatting communism. While the full scope of its function is as yet unclear, we believe that CIA should follow the developments in this office closely as its activities will have considerable bearing on the work of the Agency.

State's Operational Center

We reviewed with some interest the embryonic operational center which the Department of State is developing. We found that this is an interesting development and would obviously have bearing on the intelligence community.

State at White House Briefings

We recommend that in accordance with the present practice of a representative of the Defense Intelligence Agency attending the briefings of the White House staff by CIA, that a representative of the Department of State also be invited to attend these meetings.

Receipt of Top Classification Messages

We recommend that the DCI take up directly with the President the problem of receiving all pertinent messages dealing with foreign affairs which might have any bearing on intelligence estimates or reports, or on covert operations. We have particularly in mind such communications as between the President and Khrushchev, etc. We believe that it is important for the DCI to see such messages in order to give proper guidance to the intelligence and operational activities of the Agency.

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THE WHITE HOUSE

WASHINGTON

April 3, 1962

MEMORANDUM FOR: Mr. Lyman B. Kirkpatrick
Inspector General
Central Intelligence Agency

In the course of our discussions as members of Mr. McCone's Working Group on Intelligence and in our March 28 meeting with Messrs. McCone and Carter, I indicated that I did not concur in the "Coordination" section of the draft report which we discussed with the DCI and the DDCI.

In line with the foregoing, it would be appreciated if you would:

1) Amend the second sentence of the section to read: "With the exception of Mr. Coyne, we are fully in accord."

2) Add at the end of the section a new paragraph reading as follows:

"Mr. Coyne does not concur in this recommendation. He disagrees with (a) the proposed organizational placement and title of the recommended Office, because this would perpetuate the present ineffective arrangement of the Coordination Office now in existence and would not provide the recommended Office with the stature required to assist the DCI in fulfilling his heavy responsibilities throughout the Intelligence Community; (b) the limitations in the functional concepts of the Office, as outlined above. Further, he does not concur in this recommendation because it does not distinguish sufficiently the internal CIA operating functions of the DDCI from the community-wide functions which the recommended Office must perform if the DCI is to execute effectively his principal mission as assigned in the President's Directive of January 16, 1962. Mr. Coyne believes that if the Office is established along the lines recommended above, it will be incapable of effectively assisting the DCI in performing his principal Presidentially-assigned responsibilities of (a) coordinating and effectively guiding the total U. S. foreign intelligence effort; (b) establishing necessary policies and procedures to assure adequate coordination of foreign intelligence activities at all levels; (c) maintaining a continuing review,

"with the heads of the Departments and Agencies concerned, of the programs and activities of all U. S. agencies engaged in foreign intelligence activities; and (d) assuring efficiency and effectiveness, and avoiding undesirable duplication in the total foreign intelligence effort. Mr. Coyne will submit his recommendations on this subject at a later date."

I would appreciate receiving a copy of the revised report of the Working Group at your earliest convenience.

J. Patrick Coyne

J. Patrick Coyne

23 October 1962

Grd
10/25/62

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: After Action Report on the Findings of the Working Group

This is with reference to the memorandum of 6 April 1962 which presented you with the final report of the Working Group which you established in January to consult and advise on the organization and activities of the Central Intelligence Agency. This report indicates the action which has been taken on the findings of the Working Group, and if no action has been taken the reasons therefor. The comments here are in the same order as they appeared in the report of the Working Group.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director

Attachment

CC: DDCI

LBK:jrc: Retyped gmk (23 Oct. 62)

Distribution:
Orig - Addressee w/att
1 - DDCI w/att
1 - Exec. Dir. w/att
~~4 - Extra~~

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Operational Aids Unit

This recommendation was rendered inapplicable in view of the decision not to transfer TSD to DD/R.

Deputy Chief for British Commonwealth Affairs, Western European Division

As recommended, this position has been created and is now occupied by Mr. John Caswell. A review will shortly be made to determine the degree of control that this unit has over liaison.

War Plans

As recommended, the DDCI is giving full support to the War Plans Group, and is assisted in this effort by the Executive Director.

Police Programs

As recommended, CIA is giving the police program greater support. An Agency Officer heads the police program in AID, and he has been provided an Executive Officer by the Agency. Project ENDOMORPH will be transferred to the CI Staff.

Liaison with the Department of State

The DD/P has centralized the control of liaison with the Department of State and careful records are now maintained of all discussions.

Advice to State on Black Propaganda

The Chief, CA Staff, is now charged with advising State, and other departments where appropriate, of any black propaganda activities that might be misinterpreted by the U.S. Government if they were presumed to be legitimately the statement of another government.

CIA Personnel Under State Cover

The DD/P is making a thorough review of State cover directed toward insuring that CIA personnel are not out of line in their various allowances with their State Department colleagues.

Assistant to DD/P for Paramilitary and Air Support Operations

We recommend the creation of an office in the DD/P to be known as Paramilitary and Air Support Operations, under the direction of an Assistant DD/P, to develop the capability for covert paramilitary and air support operations. We suggest that the bulk of this new organization be located at Isolation where it will have facilities for organization and training. Such a move will also relieve the burden on the headquarters building. We recommend that the individual to head this organization be drawn from military service and be a senior Colonel or a Brigadier General with wartime paramilitary experience. Having in mind the total disestablishment of the DPD in its present form, we recommend that the Air Support Branch of DPD be transferred to the new Paramilitary Office of DD/P.

Domestic Division

We endorse the proposal to create a Domestic Division. We strongly urge that the new Domestic Division utilize the Contact Division of OO, which is to be transferred from the DD/I to the DD/P, as the nucleus for field work in the United States. We also believe that this Domestic Division should take over those functions of the Cover and Commercial Staff presently carried out by the Commercial Group, plus all those activities of the Cover Division which involve

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all matters involving liaison with the British or with Canadian, Australian and New Zealand intelligence services except matters concerned with Sigint and Comsec. Further, this officer should have full control authority over liaison exchange of information with the British and the above mentioned Commonwealth services, and all other components of the Agency, including the DD/I, should keep this officer advised on a daily basis of liaison relations with the British services.

War Plans

Because of the vital importance of war plans to the Agency's relations to the Joint Chiefs of Staff, we recommend that the War Plans Group receive direct support from the DDCI, even though it should remain organizationally as a part of the Central Support Staff of the DD/P.

Police Programs

We are convinced that United States Government support to the police in friendly nations can provide great benefits to the United States and that some of these benefits will assist CIA in its work. The President has recently indicated to AID that he wishes this program to receive strong support. We believe that CIA should

give it greater support than it has previously received. We recommend that the police group in the CI Staff receive such augmentation as is necessary, and that Project ENDOMORPH (police training school) be transferred from the NE Division to the CI Staff.

Liaison with Department of State

We urge that the DD/P centralize liaison with the Department of State and maintain careful records of all discussions between the Agency and State Department officials. We note that nearly every area division chief has a weekly meeting with his counterpart in the Department but that under the present system there is no organized method for keeping the central management of the DD/P informed of what takes place at these meetings.

Advice to State on Black Propaganda

We recommend that the DD/P develop procedures which will insure that other appropriate agencies of the government (Department of State, Defense, White House and USIA) are kept appropriately informed of black propaganda activities which otherwise might be misunderstood and believed to be legitimately the views of a foreign power. We have in mind our discussions with the Department which heard expressed concern that the Department was unaware of certain black propaganda activities relating to Communist China and consequently was led astray.

CIA Personnel Under State Cover

We recommend that CIA personnel under the Department of State cover make greater efforts to truly live their cover. We believe in this connection that the DCI should receive assurances from the DD/P, after proper study, that CIA allowances for rents, servants and entertainment are in line with comparable State Department allowances.

"Legitimate" Foreign Service Cover

We recommend that the Agency more and more place people under Foreign Service cover by the "legitimate" method of recruiting individuals, having them take and pass the Foreign Service exams and be commissioned in the Foreign Service and follow through a normal Foreign Service career. CIA should obviously keep the Department advised concerning these individuals, work with the Department on their assignments which will be mutually beneficial, and covertly train them. By this method such individuals will be under true Foreign Service cover and will not only be unknown to other intelligence services, but also to their colleagues in the Foreign Service.

Watch Committee report, circulate it to all agencies for consideration prior to discussion at the Watch Committee meeting when it could be decided upon in final form and reproduced and disseminated.

Related to the Watch Committee -- but also an important aspect of all coordinated intelligence community reports -- we believe that substantive disagreements should be encouraged and even spelled out in Watch Committee reports; that NIEs and SNIEs rather than being suppressed or covered by watered down language as is sometimes the case today, in all cases should reflect the consensus of views of the intelligence community. If there are differing minority views on the part of one or more agencies, including CIA, these should be spelled out in appropriate footnotes.

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handling State communications, etc. In these areas we recommend close liaison be maintained with State on Congressional matters and that whenever possible State be given a helping hand with the appropriate Congressional committees on these matters.

We are particularly concerned that the Foreign Service designations of CIA personnel under State cover, particularly FSR, are so revealing. We recommend that the Agency arrange with State to cover CIA personnel equally with FSS and FSO designations.

The Department of State indicated concern about the level in CIA on which Comint policy matters are handled, and also noted that on occasions there appears to be lack of coordination within CIA on Comint policy matters. This factor is one of the reasons why we recommend raising the level of Sigint policy matters to the Assistant to the DCI for Coordination and Intelligence Community Guidance.

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